

## Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 PM-07 H-03 INR-10 L-03 NSAE-00

NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20 USIA-15 EB-11

COME-00 TRSE-00 OMB-01 DRC-01 ACDA-19 MC-02 /134 W

----- 121391

R 220753Z MAY 74

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 3618

SECDEF WASHDC

INFO USMISSION NATO

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY OSLO

AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

USCINCEUR

USNMR SHAPE

C O N F I D E N T I A L THE HAGUE 2548

E.O. 11652: GDS

TAGS: MASS, NATO, BE, NL, NO, DA

SUBJ: JOINT EUROPEAN COMMITTEE VISIT TO UNITED STATES

FOR F-104 REPLACEMENT DISCUSSIONS

1. MAAG OBTAINED FROM DUTCH SOURCES PRELIMINARY REVIEW OF SPECIFIC TOPICS TO BE NEGOTIATED WITH US REPRESENTATIVES DURING WASHINGTON VISIT. THE TWO AD HOC COMMITTEES ESTABLISHED BY THE 4-COUNTRY STEERING COMMITTEE (RE OPERATIONAL/TECHNICAL AND LEGAL/FINANCE) WILL REPORT VERBALLY TO STEERING COMMITTEE ON 24 MAY, AT WHICH TIME NEGOTIATION CHECKLIST IS EXPECTED TO BE APPROVED. ITEMS ON CHECKLIST ARE REPORTED IN GENERALIZED FASHION. EXPECT DETAILED CHECKLIST TO BE FORWARDED TO FRANCE AND US BETWEEN 24-27 MAY 74.

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MAAG PERSONNEL OPTED NOT REPEAT NOT TO DISCUSS ANY POINTS,

TO PREVENT ESTABLISHING US POSITION PRIOR TO ACTUAL  
NEGOTIATIONS WITH APPROPRIATE US REPRESENTATIVES.

2. DUTCH SOURCE FURTHER PROVIDED STEERING COMMITTEE  
SCHEDULE OF EVENTS SURROUNDING FRENCH/US VISITS.  
SIGNIFICANT EVENTS ARE: FRENCH VISIT 3 JUNE, US VISIT  
24 JUNE, TO BE FOLLOWED BY ANY ANALYSIS PERIOD. BY  
15 SEPT STEERING COMMITTEE WILL PRESENT DECISION TO  
GOVERNMENTAL OFFICIALS. THIS WILL THEN PERMIT 2 WEEKS  
FOR POLITICAL DISCUSSIONS FOR PURPOSE OF ARRIVING AT  
FINAL DECISION 30 SEPT 74.

3. ACCORDING TO MAAG SOURCE, MAIN SUBJECT FOR  
NEGOTIATION ARE:

A. GUARANTEED PERMISSION BY USG TO EXECUTE  
PREPRODUCTION AND PRODUCTION PROGRAMS WHICH WILL BE  
ESTABLISHED BETWEEN PRIME CONTRACTOR AND CUSTOMER  
COUNTRIES CONCERNING EXPORT LICENSES, PRODUCTION SHARING,  
AND DELIVERY SCHEDULED.

B. US GUARANTEES THAT SCHEDULES AND PRIORITIES  
ESTABLISHED FOR PRODUCTION AND LIFE-TIME DELIVERIES  
WILL NOT BE CHANGED UNILATERALLY.

C. USG PREPAREDNESS TO MAKE A COMMITMENT THAT IF  
US HAS REQUIREMENT FOR A LIGHT WEIGHT FIGHTER IT WILL  
BE THE SAME BASIC TYPE AS ONE SELECTED BY ERUOEPA NATO  
COUNTRIES.

D. WILLINGNESS OF USG TO PARTICIPATE IN NON-  
RECURRING COSTS BY:

1. BEARING ENGINE DEVELOPMENT COSTS
  2. FREE USE OF GOVERNMENT TEST FACILITIES
  3. FREE USE OF GOVERNMENT KNOW-HOW AND EXPERTISE
  4. SHARING COSTS OF QUALIFICATION AND FLIGHT TEST PROGRAMS
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5. SHARING COSTS OF 2-SEATER AIRCRAFT DEVELOPMENT
6. SHARING COSTS OF ALL COMPONENT DEVELOPMENT

E. USG PREPAREDNESS TO GIVE LIFETIME SUPPORT OF  
WEAPON SYSTEM REGARDING TECHNICAL DATA, TEST RESULTS,  
OPERATIONAL EXPERIENCE, NUCLEAR WEAPON DELIVERY, RADAR,

MISSILE, ELECTRO-OPTICAL WEAPONS, ECM, ECCM, AND TISEO.

F. USG GUARANTEE FOR THE MINIMUM ECONOMIC OFFSET  
LEVEL THAT IS NEGOTIATED.

G. USG PREPAREDNESS TO GUARANTEE DELIVERY OF NUMBER  
OF AIRCRAFT TO BE ORDERED BY GOVERNMENT AT BASIC PRICE  
PROPOSED BY US INDUSTRIES

H. USG PREPAREDNESS TO GUARANTEE ADVANCE PAYMENTS  
MADE BY APRTICIPATING GOVERNMENTS TO CONTRACTOR.

I. USG INSURANCE TO LIMIT CONSEQUENCES OF PRICE  
ESCALATION.

J. RENT-FREE USE OF GOVERNMENT-OWNED FACILITIES  
AND EQUIPMENT.

(. USG VIEW OF COMMON FUNDING AND USE OF MUTUAL  
TRAINING FACILITIES.

L. COMMON LOGISTIC AND TECHNICAL SUPPORT FOR ENTIRE  
WEAPONS SYSTEM FOR LIFE OF SYSTEM.

M. USG ATTITUDDE ON AGREEMENTS TO BE MADE AT A  
LATER DATE ON (A) ROYALTIES, LICENSE FEES, LEVIES,  
TAXES AND DUTIES.

(B) SECURITY REGULATIONS

(C) APPLICABLE LAWS AND DISPUTES CLAUSES

(D) PATENT INFRINGEMENTS  
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4. SEPARATE NEGOTIATIONS CHECKLIST HAS BEEN DEVELOPED  
FOR THE INDUSTRY REPRESENTATIVES VISITING US INDUSTRY,  
SPECIFICALLY GENERAL DYNAMICS AND NORTHROP.  
THESE CHECKLISTS WILL BE FORWARDED TO RESPECTIVE  
INDUSTRIES PRIOR TO 4-COUNTRY VISIT. MAIN SUBDIVISIONS  
OF THE INDUSTRY CHECKLIST ARE MASTER PROGRAM PLAN,  
PRODUCTION ORGANIZATION, TECHNICAL AND LOGISTICAL SUPPORT,  
AND PROGRAM COSTS.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GOVERNMENT PROCUREMENT, FIGHTER AIRCRAFT, INTERGOVERNMENTAL COOPERATION, COMMITTEES, VISITS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 MAY 1974  
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**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
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**Disposition Date:** 28 MAY 2004  
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**Line Count:** 164  
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**Original Previous Classification:** n/a  
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30 JUN 2005

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**TAGS:** MASS, BE, NL, NO, DA, NATO  
**To:** STATE DOD  
**Type:** TE  
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